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SUBJECT: CHINA - KAZAKHSTAN: WILL WATER DAMPEN THE
RELATIONSHIP?

¶1. (SBU) Summary: Kazakhstan, already coping with its shrinking water sources, now faces a new challenge as a result of western China's rapid development. Two of Kazakhstan's primary water sources, the Ili and Irtysh rivers, begin in China, and China has already admitted to the Kazakhstanis that some pollution of the rivers is inevitable.

Moreover, the two countries have not reached an agreement on water use. One Kazakhstani official stated publicly that "China is reluctant to discuss strategic water use issues with Kazakhstan." This reluctance was reaffirmed during President Nazarbayev's recent trip to China, with the two sides again failing to reach an agreement on the use and protection of transboundary water resources. End Summary

Blessed with Oil, but Not Water

¶2. (U) Kazakhstan's water resources, never ample, continue to shrink. In the last five decades, water resources have decreased by 16.6%, from 120 billion cubic meters of available water in the 1950s to not more than 100 billion cubic meters today. Poor water management practices and wasteful internal consumption have contributed to the problem, but Kazakhstan is also heavily dependent on effective regional cooperation - 50% of its water resources begin outside the country's borders.

¶3. (SBU) While Kazakhstan has in recent years focused primarily on productive management of the Syr Darya basin, shared with Kyrgyzstan, Tajikistan and Uzbekistan, two of Kazakhstan's major water sources, the Ili and Irtysh Rivers, originate in China. The Ili River provides Lake Balkhash, the 15th largest lake in the world, with 80% of its water. The Irtysh River supplies a number of lakes and the Irtysh-Karaganda Canal. Anatoliy Ryabtsev, Chairman of Kazakhstan's Committee on Water Resources, told ESTH Officer that China's use of the Irtysh adheres to international norms but admitted that Kazakhstan lacks full information on China's use of the Ili.

Nazarbayev Returns Home Empty-Handed on Water-Sharing

¶4. (SBU) Kazakhstan has failed to achieve an agreement on water-sharing with China, and Kazakhstani officials have not hidden their displeasure in public statements. Ryabtsev stated on Kazakhstani television on December 4 that "China consumes more and more water as its economy grows. The amount

of industrial pollutants discharged into the river by China has also increased. They keep violating our requirements." Deputy Water Chairman Amirkhan Kenshimov, speaking at a UNDP Human Development Report presentation on November 16, complained that "China is reluctant to discuss strategic water use issues with Kazakhstan."

15. (SBU) In a recent meeting with ESTH Officer, Ryabtsev reported that Kazakhstan - China water cooperation is improving. The two sides have already concluded three water-related agreements on information sharing and water quality, he said. Even achieving a dialogue with China is a great achievement, Ryabtsev believes.

16. (SBU) Nevertheless, Ryabtsev admitted to ESTH Officer that his strong statement on Kazakhstani television accurately reflects his views. Kazakhstan is particularly worried about the Ili, he said, with public reports that China intends to divert more water from the river to develop its oil industry. Moreover, Kazakhstan has information that China has started to build a new water use facility for the Ili. The Chinese have already admitted to Kazakhstan that the country's industrial growth is surpassing its ability to prevent the Ili's pollution. Ryabtsev told ESTH Officer that Kazakhstan will be "firm and decisive" on water-sharing, and that China "fears sanctions" by Kazakhstan. Thus far, he added, the Chinese, rather than the Kazakhstanis, have made concessions on water issues.

17. (SBU) Ryabtsev believes that the water use question must be resolved at the highest level. According to press reports, President Nazarbayev raised the issue during his December 19-21 visit to Beijing. Although agreements were signed on the exchange of hydrological information and scientific and research cooperation on transboundary rivers,

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the two sides again failed to reach accord on transboundary water use. Referring to this failure, Nazarbayev said that "we cannot say that Kazakhstani-Chinese cooperation is developing in a completely positive way."

18. (SBU) Comment: While China-Kazakhstan relations remain healthy, China's growing thirst for natural resources is a potential cause of discord. In recent months, Kazakhstani politicians and media have criticized China's "overparticipation" in Kazakhstan's oil and gas sector. Transboundary water use is also of great concern, with Kazakhstan's existing vulnerabilities likely to worsen if China overuses the Ili and Irtysh rivers. Kazakhstan may use the levers it has with China - access to energy and trade routes - if pushed on the water issue. End comment.
MILAS